



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

**MINUTES OF THE COMMITTEE
ON
TAX POLICY**

Wednesday, March 22, 2017 10:30 a.m. Room 521, House Office Building

The House Committee on Tax Policy was called to order by the Chairman, Representative Jim Tedder.

Members present: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

Members absent/excused: None.

Representative Maturen moved to adopt the minutes from the Wednesday, March 15, 2017 meeting.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid before the committee SB 111- SB 115:

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| SB 111 | (Horn) | Economic development; brownfield redevelopment authority; transformational brownfield plans; provide for. |
| SB 112 | (Brandenburg) | Individual income tax; collections; certain revenues attributable to transformational brownfield plans; capture and earmark. |
| SB 113 | (Casperson) | Sales tax; collections; certain revenue attributable to transformational brownfield plans; capture and earmark. |
| SB 114 | (MacGregor) | Use tax; collections; certain revenue attributable to transformational brownfield plans; capture and earmark. |
| SB 115 | (Bieda) | Economic development; renaissance zones; exemption of certain taxes; modify. |

Representative Tedder offered the following amendments to SB 111:

1. Amend page 55, line 12, after "**UNTIL**" by striking out the balance of the subsection and inserting "**DECEMBER 31, 2022.**".
2. Amend page 55, line 13, after "**SECTION.**" by inserting "**THE MICHIGAN STRATEGIC FUND ALSO SHALL NOT APPROVE MORE THAN 5 TRANSFORMATIONAL BROWNFIELD PLANS UNDER SUBSECTION (10) IN ANY**

INDIVIDUAL CITY, VILLAGE, OR TOWNSHIP PRIOR TO DECEMBER 31, 2022."

3. Amend page 59, line 6, after "**UNTIL**" by striking out the balance of the subdivision and inserting "**DECEMBER 31, 2022.**".

4. Amend page 59, following line 7, by striking out all of subdivision **(B)** and inserting:

"(B) NOT APPROVE MORE THAN 5 TRANSFORMATIONAL BROWNFIELD PLANS IN ANY INDIVIDUAL CITY, VILLAGE, OR TOWNSHIP PRIOR TO DECEMBER 31, 2022."

5. Amend page 59, following line 21, by inserting:

"(26) THE MICHIGAN STRATEGIC FUND SHALL NOT APPROVE ANY NEW TRANSFORMATIONAL BROWNFIELD PLANS AFTER DECEMBER 31, 2022. A TRANSFORMATIONAL BROWNFIELD PLAN APPROVED PRIOR TO DECEMBER 31, 2022 SHALL REMAIN IN EFFECT AND MAY BE AMENDED IN ACCORDANCE WITH THE PROVISIONS OF THIS ACT."

Representative Lower moved to adopt the following amendments to SB 111.

The motion prevailed by a vote of 12-0-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: Representative Howrylak.

Representative Kahle offered the following amendments to SB 111:

1. Amend page 58, line 27, after "**WITH**" by striking out "**BOTH**" and inserting "**ALL**".

2. Amend page 59, following line 7, following subdivision **(B)** by inserting:

"(C) ENSURE AN EQUITABLE GEOGRAPHIC DISTRIBUTION OF PLANS APPROVED UNDER THIS SUBSECTION, WHICH SHALL ACHIEVE A BALANCE BETWEEN THE NEEDS OF MUNICIPALITIES OF DIFFERING SIZES AND DIFFERING GEOGRAPHIC AREAS OF THE STATE. SUBJECT TO THE RECEIPT OF QUALIFIED TRANSFORMATIONAL BROWNFIELD PLANS MEETING THE CRITERIA UNDER THIS SECTION AND SECTION 13C, THE MICHIGAN STRATEGIC FUND SHALL SET A TARGET THAT NOT LESS THAN 35% OF THE TOTAL TRANSFORMATIONAL BROWNFIELD PLANS APPROVED UNDER THIS ACT PRIOR TO DECEMBER 31, 2022 WILL BE LOCATED IN CITIES, VILLAGES, AND TOWNSHIPS WITH A POPULATION OF LESS THAN 100,000." and relettering the remaining subdivision.

Representative Lower moved to adopt the following amendments to SB 111.

The motion prevailed by a vote of 10-2-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, and Hammoud.

NAYS: Representatives Howrylak and Ellison.

PASS: Representative Neeley.

Representative Kahle offered the following amendment to SB 111:

1. Amend page 54, following line 25, by inserting:

"(D) IS FOR ELIGIBLE PROPERTY THAT IS LOCATED IN A CITY, VILLAGE, OR TOWNSHIP WITH A POPULATION OF LESS THAN 25,000 OR THAT IS OTHERWISE ELIGIBLE FOR THE CORRESPONDING POPULATION TIER IN SECTION 2(VV)(vi), AS DETERMINED IN ACCORDANCE WITH SUBSECTION (16), IF THE MICHIGAN STRATEGIC FUND DETERMINES THAT THE REDEVELOPMENT IS NOT ECONOMICALLY FEASIBLE ABSENT THE TRANSFORMATIONAL BROWNFIELD PLAN."

Representative Kahle moved to adopt the following amendment to SB 111.

The motion prevailed by a vote of 8-3-2.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Kesto, Lucido, Vaupel, Kahle, Lower, and Byrd.

NAYS: Representatives Howrylak, Johnson, and Ellison.

PASS: Representatives Neeley and Hammoud.

Representative Vaupel offered the following amendment to SB 111:

1. Amend page 50, line 27, after "**PLAN.**" by inserting "**THE ANALYSIS SHALL CONSIDER BOTH PROJECTED RENTAL RATES AT THE TIME OF PROJECT DELIVERY AND POTENTIAL INCREASES IN RENTAL RATES OVER TIME.**".

Representative Kahle moved to adopt the following amendment to SB 111.

The motion prevailed by a vote of 12-0-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: Representative Howrylak.

Representative Tedder offered the following amendments to SB 111:

1. Amend page 19, line 6, after "**THAN**" by striking out "**599,000,**" and inserting "**599,999,**".
2. Amend page 50, line 15, after "**SUBSECTION**" by striking out "**(23)(B)**" and inserting "**(23)(D)**".

Representative Kesto moved to adopt the following amendments to SB 111.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: None.

Representative Tedder offered the following amendment to SB 112:

1. Amend page 1, line 5, after "**REVENUES**" by striking out "**ATTRIBUTABLE TO**" and inserting "**DUE TO BE TRANSMITTED UNDER ALL**".

Representative Ellison moved to adopt the following amendment to SB 112.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: None.

Senator Horn, and JoAnn Crary, President of the Saginaw Future, introduced SB 111-SB 115 to the committee.

Representative Frederick, Justin Horvath, representing Shiawassee Economic Development Partnership, and Jeff Deason, representing the Shiawassee Chamber of Commerce, testified in support of SB 111 –SB 115.

Rashida Tlaib, representing the Equitable Detroit Coalition, testified in opposition to SB 111-SB 115.

Matt Gibb, representing Oakland County, testified in support of SB 111-SB 115.

The following people submitted a testimony card in support of SB 111- SB 115, wishing to speak, but were unable to due to time constraints:

Dan Swallon, City Manager of Tecumseh.
James VanDoren, Executive Director of Lenawee Now.
Jared Fleisher, representing Quicken Loans.
Andy Johnson, representing the Grand Rapids Chamber of Commerce.
Kent Wood, representing the Northern Michigan Chamber Alliance.
Karl Dorshimer, representing the Lansing Brownfield Authority.
Brad Ward, representing the Michigan Realtors.

The following people submitted a testimony card in opposition to SB 113 and SB 114, but did not wish to speak:

Peter Spadafore, representing the Michigan Association of School Administrators.
Ray Telman, representing the Middle Cities Education Association.
Jennifer Smith, representing the Michigan Association of School Boards.
Jerry Johnson, representing the Barry, Branch, Calhoun, Jackson, Lenawee, and Monroe Intermediate School Districts.
Annalisa Grunwald, representing the Michigan Association of Intermediate School Administrators.

Annie Patnaude, representing Americans for Prosperity, submitted a testimony card in opposition to SB 111, SB 112, and SB 113.

James Hohman, representing the Mackinac Center for Public Policy, submitted a testimony card in opposition to SB 111, but did not wish to speak.

There being no further business before the committee and seeing no objection, the Chair adjourned the meeting, the time being 12:00 p.m.

Representative Jim Tedder, Chair

Date Approved and Signed

Kevin Gawronski
Committee Clerk
March 22, 2017
1 hour 30 minutes